

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 PM-03 /016 W  
----- 080174

R 271815Z FEB 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 8734

INFO SECDEF

USMISSION NATO BRUSSELS

S E C R E T SECTION 01 OF 02 LONDON 03050

E.O. 11652: XGDS-1

TAGS: EFIN, NATO, UK

SUBJECT: BRITISH DEFENSE REVIEW

REF: STATE 36264

1. EMBOFF HAS DISCUSSED QUESTIONS LISTED REFTEL AT LENGTH WITH MAYNE (HEAD, DS-22, MOD - PLEASE PROTECT FULLY) WHO HAS PASSED US IN CONFIDENCE DETAILED DATA UNDER EACH HEADING. RESPONSES KEYED TO PARAS REFTEL:

A. FY 74 DEFENSE EXPENDITURES (FOR FY ENDING 30 MAR 75) NOW OFFICIALLY STAND AT POUNDS 3,612 MILLION (ALTHOUGH WE UNDERSTAND MOD EXPECTS SPEND ONLY POUNDS 3,560 MILLION). ON SAME BASIS (I.E. CONSTANT 1974 POUNDS), DEFENSE EXPENDITURES FOR FY75 AND FY76 ARE PLANNED TO RISE TO POUNDS 3,700 AND 3,800 MILLION, RESPECTIVELY. THIS REPRESENTS AN INCREASE OF ABOUT 2.7 PERCENT ANNUALLY IN REAL TERMS. AFTER FY76, DEFENSE EXPENDITURE (IN CONSTANT PRICES) IS TO BE STABILIZED AT THE FY76 LEVEL AND THEN FALL SLIGHTLY BETWEEN FY79 AND FY83.

B. BRITISH DEFENSE EXPENDITURES ARE INCREASED SOME POUNDS 150 MILLION ANNUALLY BY APPLYING THE NATO DEFINITION. THUS, BRITISH DEFENSE SPENDING IN 1974 PRICES FOR THE PERIOD UNDER THE NATO DEFINITION ARE PROJECTED AT:

FY75 FY76 FY77 FY78 FY79-83(AVE)

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3,850 3,950 3,950 3,950 3,940  
(THESE FIGURES ARE IN POUNDS MILLION)

C. MOD CANNOT RELATE THE PROPOSED REDUCTIONS IN UK SERVICE AND CIVILIAN PERSONNEL DIRECTLY TO THE WITHDRAWAL FROM PARTICULAR NON-NATO COMMITMENTS, SINCE THE FORCES WITHDRAWN WILL IN MOST CASES BE REDEPLOYED TO OTHER TASKS AND FUTURE MANPOWER HAVE BEEN RECALCULATED AGAINST THE COMMITMENTS TO BE MET UNDER THE REVISED DEFENCE POLICY AND THE NEW FORCE STRUCTURES REQUIRED TO DISCHARGE THEM. THE FOLLOWING GENERAL BREAKDOWN OF REDUCTIONS IS THE ONLY ONE AVAILABLE AT PRESENT:

	STRENGTHS L APR 74	STRENGTHS L APR 79
ROYAL NAVY	79,000	74,000
ARMY	180,000	168,000 OR LESS
	(INCL. 7,000 GURKHAS)	(INCL. 6,000 GURKHAS)
RAF	100,000	82,000
UK BASED		
CIVILIANS	249,000	234,000
LOCALLY ENTERED		
CIVILIANS (I.E.		
THOSE RECRUITED		
OVERSEAS)	60,000	45,000

D. A CONSIDERABLE PROPORTION OF THE CUT IN ARMY MANPOWER WILL BE ACCOMPLISHED BY WITHDRAWAL FROM OR REDUCTION IN, A NUMBER OF OVERSEAS COMMITMENTS, INCLUDING A CUT OF 1000 IN THE BRIGADE OF GURKHAS. A SMALL PART WILL BE ACHIEVED BY PRUNING REAR HEADQUARTERS AND SUPPORT AND LOGISTICS ORGANIZATIONS IN BAOR, BUT CLEARLY ANY REDUCTIONS IN THIS AREA ARE LIMITED BY THE BRITISH INTENTION TO MAKE NO REDUCTION BELOW THE BRUSSELS TREATY LEVEL OF 55,000 MEN IN EUROPE IN ADVANCE OF A SUCCESSFUL  
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OUTCOME TO MBFR. THE BULK OF THE MANPOWER REDUCTIONS WILL THEREFORE CERTAINLY BE FOUND WITHIN THOSE FORCES STATIONED IN THE UK. HERE, AS IN BAOR, A FUNDAMENTAL PRINCIPLE OF THE REVIEW HAS BEEN THAT AS FAR AS POSSIBLE REDUCTIONS SHOULD BE EFFECTED IN REAR HEADQUARTERS AND SUPPORT AREAS, AND IT IS ON THIS BASIS THAT MOD HAS PLANNED FOR THE FUTURE. ONE LEVEL OF COMMAND WILL BE ELIMI-

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NATED WITH A CORRESPONDING REDUCTION IN THE NUMBER OF HEADQUARTERS. CUTS ARE PLANNED IN THE MILITARY STAFF WITHIN THE MINISTRY OF DEFENCE HEADQUARTERS AND A NUMBER OF STUDIES INTO POSSIBLE REDUCTIONS IN THE LOGISTICS AND SUPPORT ORGANIZATIONS ARE BEING UNDERTAKEN.

IT THEREFORE APPEARS INACCURATE TO SUGGEST THAT THERE WILL BE LITTLE OR NO REDUCTION IN THE LARGE NUMBER OF MILITARY PERSONNEL IN HEADQUARTERS, SUPPORT AND MISCELLANEOUS ACTIVITIES IN THE UK, OR TO IMPLY THAT THESE AREAS ARE BEING MAINTAINED AT THE EXPENSE OF THE SPECIALIST REINFORCEMENT FORCES. THE BRITISH ELEMENT OF THE ACE MOBILE FORCE, THE MAJOR CONTRIBUTION TO SACEUR'S STRATEGIC RESERVE, WILL REMAIN UNCHANGED. MOD ALSO STATES THERE ARE GOOD REASONS FOR THE REDUCTIONS PROPOSED IN THE UK MOBILE FORCE AND UKJATFOR, AS THESE FORCES WERE ORIGINALLY DESIGNED TO MEET WORLD-WIDE COMMITMENTS, AS AN ALTERNATIVE TO OVERSEAS GARRISONS, BUT WERE SUBSEQUENTLY COMMITTED TO NATO IN 1968. BECAUSE OF THE LACK OF RESOURCES, THE LAND ELEMENTS OF THESE FORCES NEVER HAVE BEEN FULLY EQUIPPED FOR HIGHLY MOBILE ARMoured OPERATIONS IN A NATO ENVIRONMENT; IN ASSESSING BRITAIN'S PRESENT WIDE RANGING COMMITMENTS TO NATO, HMG DECIDED THAT ITS ABILITY TO REINFORCE THE SOUTHERN FLANK WAS LESS COST-EFFECTIVE THAN IN OTHER AREAS.

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WHILE THE UKJATFOR IS TO BE ABANDONED, HOWEVER, THE PARACHUTE REGIMENT WILL BE RETAINED, AND WILL PROVIDE A LIMITED PARACHUTE CAPABILITY, THE ROLE OF WHICH IS STILL UNDER STUDY. THE AIRPORTABLE FORMATION WHICH WILL REPLACE THE UKMF WILL BE BASED IN THE UK, AND WILL CONTINUE TO BE AVAILABLE FOR DEPLOYMENT TO THE CENTRAL AND NORTHERN REGIONS OF NATO AS PART OF SACEUR'S STRATEGIC RESERVE. WHILE THIS FORMATION WILL BE SMALLER THAN THE UKMF, IT WILL BE BETTER EQUIPPED AND BETTER ADAPTED TO ITS ROLE THAN THE PRESENT FORCE.

THE SCALE OF THE REINFORCEMENT FROM THE UK TO BAOR WILL BE IMPROVED IN TERMS OF BOTH COMBAT AND SUPPORT UNITS AS WELL AS INDIVIDUALS.

E. THE REFERENCE TO SIX LSTS IS NOT WHOLLY CLEAR. THE BRITISH ARMY IN FACT HAS ONLY ONE OF THESE VESSELS. DOES DEPT. PERHAPS HAVE THE 6 LSLS (LANDING SHIPS LOGISTIC) IN MIND? IN EITHER CASE, HOWEVER, HMG AT PRESENT HAS NO PLANS TO MAKE ANY CHANGE WITH REGARD TO THESE VESSELS.

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